

Before the
Federal Communications Commission
Washington, DC

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Price Cap Performance Review for Local Exchange Carriers)	CC Docket No. 94-1
)	
)	
Federal State Joint Board on Universal Service)	CC Docket No. 96-45
)	
)	
Low-Volume Long Distance Users)	CC Docket No. 99-249
)	
Access Charge Reform)	CC Docket No. 96-262

**Comments of the National Consumers League And Consumer Action on the
Revised Plan of the
Coalition for Affordable Local and Long Distance Service (CALLS)**

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INTRODUCTION

The National Consumers League (NCL) is a private, nonprofit advocacy organization. Its mission is to identify, protect, represent and advance the economic and social interests of consumers and workers. Since 1899, NCL has empowered consumers and workers to navigate the changing workplace and marketplace. To meet its goal, NCL uses a three-pronged approach of research, education, and advocacy.

Consumer Action (CA) is a nonprofit consumer advocacy and educational organization that works through a national network of more than 5,000 community-based organizations.

NCL and CA do not support or endorse the current or previous versions of the CALLS proposal. NCL's position in this regard was incorrectly cited in the April 3 comments filed by the Coalition for Affordable Local and Long Distance Service. What NCL said in a March 14 letter to the Federal Communications Commission is that consumers have not yet fully realized the promised benefits from telecommunications competition and that the CALLS proposal, *if designed and implemented correctly* (emphasis added), could be an important step toward meeting that goal. This view is shared by both NCL and CA.

While we are encouraged by modifications of the CALLS proposal, we are concerned that consumers may continue to pay more than they should. We also believe that there must be a very strong requirement for disclosure and public education to help consumers choose the most cost-effective telecommunications service. In addition, there must be a commitment by the telephone companies to provide adequate customer service personnel to answer questions and help consumers take full advantage of their choices.

CONSUMERS MUST GET THE COST BENEFITS TO WHICH THEY ARE ENTITLED

The comments jointly filed in this matter on April 3, 2000 by Consumer Federation of America, Consumers Union, and the Texas Office of Public Utility Counsel raise serious questions about whether the CALLS proposal will provide consumers with the cost benefits to which they are entitled. The FCC should carefully study these comments and the alternative Consumer Group Proposal to Restructure Federal Cost Recovery and Settle Outstanding Access Charge Issues which was appended to them.

We believe that the FCC must take this opportunity to make the permanent structural changes that are necessary to ensure that costs are assessed and allocated fairly and that *all* consumers truly realize the benefits of telecommunications competition. Otherwise, the promise of reform may be short-lived and hollow.

CONSUMER EDUCATION AND DISCLOSURE IS VITAL

Consumers will need accurate and objective information in order to choose the most cost-effective telecommunications services. It will not be enough for consumers to simply be informed that the rate structure has been changed. One fundamental problem is that consumers do not generally understand how much they are paying for telecommunications services *now*. Their bills do not necessarily show the rates for the plans to which they subscribe. Moreover, the additional fees and surcharges that appear as separate line items distort the real cost of service.

If consumers do not understand how much they are currently paying, it is impossible for them to comparison shop for other plans available from the same company or from other providers. The FCC should require that telephone bills include a clear explanation of the rates and other costs for the plan to which the customer subscribes on at least a quarterly basis. We

would also like to see a requirement for telecommunications companies to provide customers information on an annual basis about the major calling plans that are available from them, as well as the cost of calling cards, operator-handled calls and other services.

Educating consumers about their telecommunications options cannot be achieved by a one-time mailing. Effective consumer education will require a multi-pronged approach using many different media. The key elements of any educational effort are:

- plain language to accommodate low-literacy levels;
- large font size and careful design to ensure that information can be easily read;
- information provided in all languages used by a significant numbers of customers within the targeted area;
- information that is unbiased, accurate and complete;
- information that is easily accessible to consumers regardless of income, geography, disabilities or other potential barriers;
- repeated outreach in order to have a long-term impact and get the information to current as well as new telephone consumers.

In addition to educating their own customers about the different plans available from their companies, telecommunications service providers should conduct broad consumer education outreach to the general public about choosing the most cost-effective services. This work could be done in partnership with grassroots community organizations, government agencies, social service providers, consumer groups, seniors groups, civic organizations, extension service educators, military counselors, and others who have direct contact with consumers.

It is especially important to educate the public about the availability of lifeline services so

that consumers who qualify for this assistance are aware of its availability.

ADEQUATE LEVELS OF CUSTOMER SERVICE PERSONNEL ARE ESSENTIAL

Any change in rates and related consumer education efforts are likely to generate an increase in calls to companies' customer service centers. Even if information about consumers' options is provided in print materials, on Web sites, or through other resources, people will call companies to ask questions, sign up for new services, or change existing plans. In anticipation of this influx and have adequate levels of customer service personnel to handle it.

CONCLUSION

NCL and CA agree with members of the telecommunications industry about the urgency for a more rational, stable policy for telecommunications charges. We want reform now; every day of delay denies consumers of savings they should be getting. But we also want the FCC to "get it right." Decisions that are made now will have a lasting impact on telecommunications competition and how consumers fare in this evolving marketplace. The FCC should take advantage of the opportunity that presents itself to insist on a plan that truly addresses the inequities and imbalance in the system.

Respectfully submitted by:

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